

OGC 77-1133
17 February 1977

MEMORANDUM FOR: Admiral Stansfield Turner

FROM: Anthony A. Lapham
General Counsel

SUBJECT: Certification of Non-Conflict of Interest

STAT I attach a copy of a certification of non-conflict of interest which
I made and forwarded to the Senate Select Committee on Intelligence
today. You will note that I committed myself to further discussions with
you and [redacted] looking to clear up any possible problems with
respect to the trust established by your grandmother or the limited
partnership you reported in your net worth statement. We will be in
STAT touch with [redacted] on this tomorrow.

[redacted] STAT
for Anthony A. Lapham

Attachment



Washington, D.C. 20505

OGC 77-1134
17 February 1977

The Honorable Daniel K. Inouye
Chairman, Select Committee on Intelligence
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

In connection with his nomination to be Director of Central Intelligence, Admiral Stansfield Turner has provided me with a list of securities and other financial assets owned by him and his wife. Admiral Turner has no minor children.

All securities owned outright by Admiral or Mrs. Turner will be transferred to one or more blind trusts. I am advised by Admiral Turner's personal counsel that the trust instruments are expected to be executed at an early date and that these instruments will satisfy the criteria described by Mr. Lipschutz, Counsel to the President, in a letter of 7 February to Admiral Turner, a copy of which is enclosed. I will advise you when that has been accomplished.

As Admiral Turner has indicated in his answers to the Committee questionnaire, his mother, Wilhelmina Turner, is a beneficiary of a trust established by his grandmother. We are advised that upon the death of Wilhelmina Turner, this trust terminates and its assets would be distributed to either Admiral Turner and his father or, in the event the Admiral's father has predeceased his mother, then to Admiral Turner alone. Technically, this situation may not create a possible conflict of interest. However, I am discussing with the Admiral, and with his personal counsel, steps that might be taken to either deny to the Admiral, during his term of service as Director of Central Intelligence, any information as to the securities held by the trust, or to otherwise eliminate any possibility of conflict of interest. Admiral Turner, as the questionnaire indicates, now knows what securities the trust holds.

Admiral Turner also owns the limited partnership interest identified in the confidential statement (net worth) already provided by the Admiral to the Committee. I have no reason to believe that this asset creates any possibility of a conflict of interest. However, I am discussing this matter with the Admiral and his personal counsel and I will advise you by 22 February should these discussions indicate that this asset creates a conflict possibility.

Under the circumstances, it is my opinion that the financial interests of Admiral Turner and his family create no conflict of interest that would stand in the way of his nomination to be Director of Central Intelligence.

Sincerely,

[Redacted Signature]

Anthony A. Lapham
General Counsel

STAT

Enclosure

THE WHITE HOUSE

WASHINGTON

February 7, 1977

Admiral Stansfield Turner, USN
c/o Chief of Naval Operations
Department of Defense
The Pentagon
Washington, D. C.

Dear Admiral Turner:

With further reference to our recent conversations concerning your prospective nomination to be Director of the Central Intelligence Agency, and your expressed interest in avoiding any conflicts of interest or the appearance thereof, I suggest that you establish a blind trust or security account which is managed on a wholly discretionary basis by the investment manager.

The blind trust or security account should have the following features:

- 1) The trustee or manager should have total discretion and the express direction and authority to sell or buy without discussion with you or anyone close to you.
- 2) The trustee or manager should not disclose to you at any time during your government service the identity of any holdings in your account or any purchases, sales, or other transactions involving your security account or trust. The only reports which you should receive are the schedules necessary to file with income tax returns, which schedules should not list anything more than totals of taxable items contained in the trust or security account.
- 3) The assets transferred to the trustee or manager should be either cash or diversified assets.

10 FEB 1977

Admiral Stansfield Turner

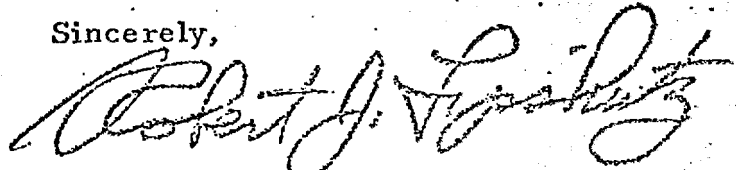
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The establishment of a blind trust or security account of this nature is the simplest and most effective way of insulating you from any present or potential conflicts of interest. Naturally, you have full discretion to select a bank, investment banking house or investment counselor of your choice to manage your blind trust or security account.

If I can be of further assistance to you with regard to this matter, please do not hesitate to contact me.

I congratulate you on your nomination to be Director of the Central Intelligence Agency, and I wish you every success in the performance of your duties.

Sincerely,

A handwritten signature in dark ink, appearing to read "Robert J. Lipshutz", written in a cursive style.

Robert J. Lipshutz
Counsel to the President

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TO	NAME AND ADDRESS		DATE	INITIALS	
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Remarks: Original of covering memorandum sent to for passage to Admiral Turner and original of letter to Chairman Inouye sent to OLC for passage to Chairman Inouye.					
FOLD HERE TO RETURN TO SENDER					
FROM: NAME, ADDRESS AND PHONE NO.				DATE	
AALapham OGC 7D01				2/18/77	
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17 FEB 1977

(EXECUTIVE REGISTRY FILE *Succession/DCI*)
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Remarks: <div style="border: 1px solid black; height: 30px; width: 100%; margin-bottom: 10px;"></div> <p>Assuming you are still the source of all wisdom to Admiral Turner, the attached for him should be given to him as soon as possible.</p> <div style="border: 1px solid black; height: 60px; width: 100%; margin-top: 10px;"></div>			
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